

N.C. Department of Labor Wage and Hour Bureau



FY 2007 Annual Report

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FY 2007 HIGHLIGHTS

- **Answered 94 percent of all calls placed to the call center on the first attempt.**
- **Closed 53 percent of investigations within 60 days of receiving the complaint.**
- **Concluded 56 percent of investigations based on factual evidence obtained from one or both parties.**
- **Recovered wages in the amount of \$230,421 for 302 complainants based on investigative findings of fact; recovered an additional \$460,995 for 800 complainants prior to any investigative determination.**
- **Total wages recovered at the investigator level were \$1,350,000; an additional \$600,000 was recovered through installments, litigation and settlements.**
- **Conducted 133 presentations and technical assistance visits with employers; conducted four joint federal-state labor law seminars throughout the state.**

NCDOL WAGE AND HOUR BUREAU

The N.C. Department of Labor Wage and Hour Bureau continued its enforcement of the N.C. Wage and Hour Act, Controlled Substance Examination Regulation Act, Private Personnel Service Act and the Job Listing Service Act. Performance this year is indicative of increased numbers of complaints filed with diminished staff resources due to retirements and better job opportunities.

At the end of FY 2007, the bureau staff consisted of two administrators, three supervisors, 19 investigators, five information specialists and two program assistants with a budget of \$1,872,319. The bureau's primary role is to investigate complaints involving nonpayment of wages and working conditions of youth under the age of 18.

The numbers and charts contained in this report are reflective of the performance measures developed as part of our strategic plan and support our overall commitment to improve services and improve compliance.

STRATEGIC PLAN

MISSION

- To protect workers in the state from unfair wage levels, work hours and payment of promised wages.
- To protect workers under age 18 from inappropriate or unsafe jobs.
- To ensure that employers who conduct controlled substance screenings for employees do so in accordance with the procedural guidelines established by law.

VISION

- Provide value-added service through fair, timely and consistent sustainable investigations and effective outreach programs that promote voluntary compliance.

GOALS

1. Improve "value-added" service to customers.
2. Increase voluntary compliance through outreach and partnership efforts.
3. Improve internal capacity of staff to provide "value-added" services and increase voluntary compliance.
4. Maintain a safe and healthy work environment.

PERFORMANCE AND ACHIEVEMENTS

CALL CENTER

Measurement of the bureau's performance begins, like our services, with the call center. The call center is truly a "high-volume" work center and is manned by five highly dedicated individuals who pride themselves on very good customer service and lasting first impressions. The volume of work can be seen in Chart 1, which shows that the center received 96,881 calls this year; this number is 3.5 percent below the 7-year average of 100,368 calls per month. These individuals are rated on several factors including: time available for work; average minutes per call; and, validated customer service complaints. In addition to answering inquiries and making referrals to other local, state and federal agencies for assistance, call center personnel enter complaint information into the bureau's automated database for immediate assignment and tracking. Because of the importance of this frontline function to the success of the bureau, management and program support staff were assigned temporary duty to ensure that a minimum of three persons were available to answer the phones each day.

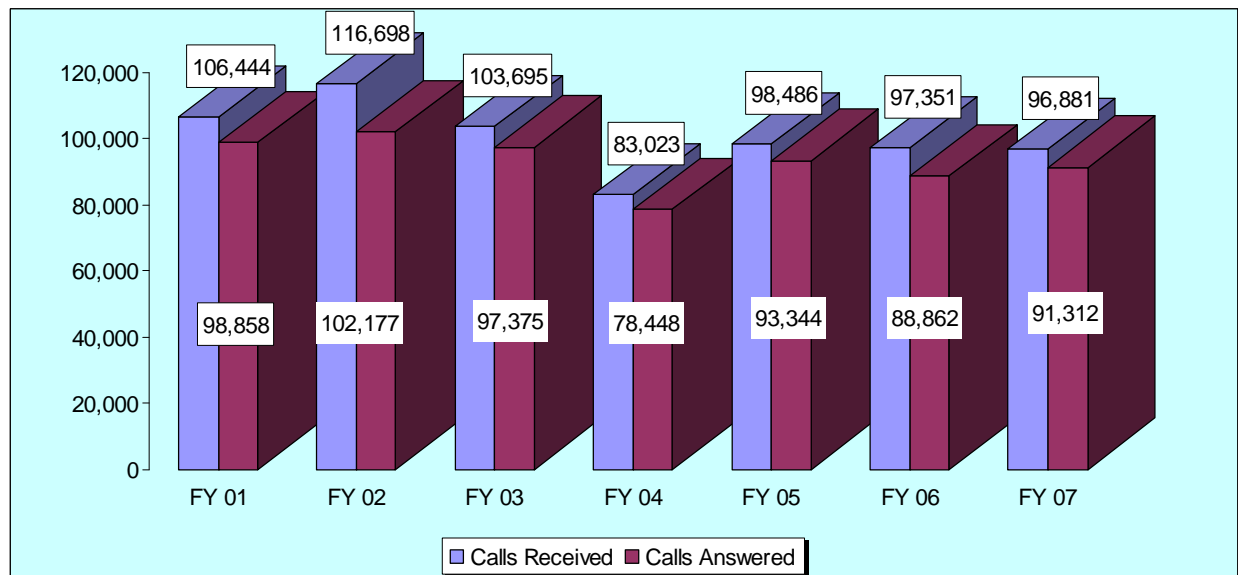


CHART 1—CALL CENTER VOLUME COMPARISON

A very strong emphasis is placed on "value-added" service to our customers and shown by the Chart 2 data. Call center personnel, and other staff temporarily assigned, answered more than 94 percent of all calls placed to the call center on the first attempt. We are very proud of this achievement since the recognized industry standard is 90 percent. In fact, call center personnel have exceeded the industry standard in six of the last seven years. Once again, this

performance speaks to the professionalism and dedication of staff as well as the acceptance of new technologies and training aimed at continued improvement in this very important area.

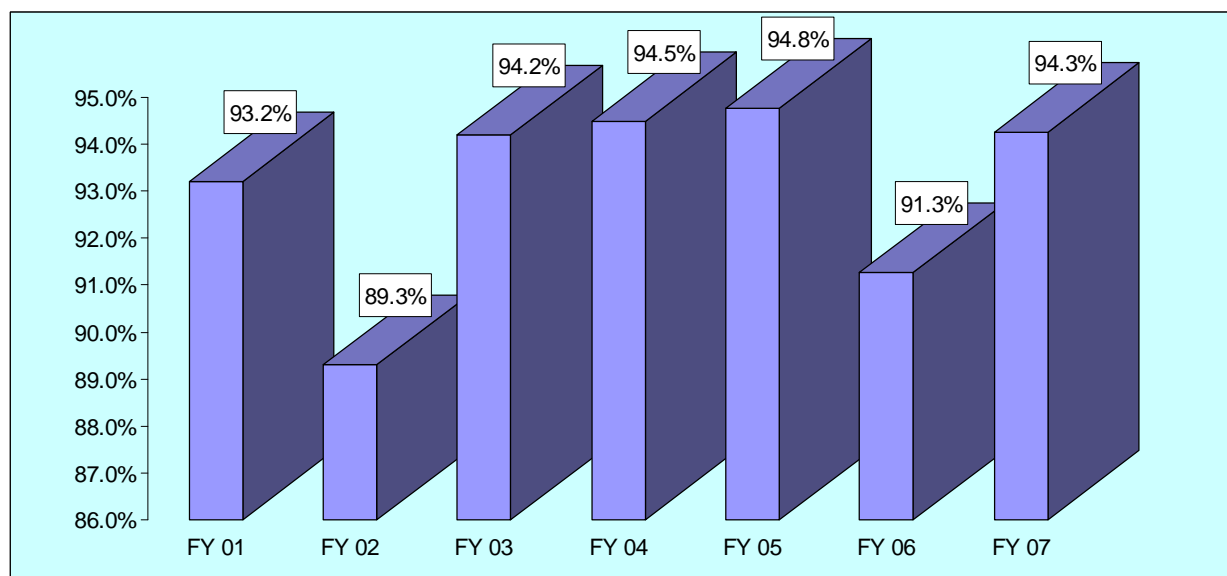


CHART 2—PERCENT OF CALLS ANSWERED ON FIRST ATTEMPT

One of the staff assigned to the call center is primarily responsible for providing timely services to our Spanish-speaking customers. This individual takes Spanish complaints “real-time,” returns calls or letters to individuals who leave messages in the Spanish mailbox and translates English-to-Spanish or vice versa for customers and investigators, as needed. In addition, this individual is often requested to participate in Hispanic/Latino festivals and seminars to educate persons on the services provided by the bureau.

INVESTIGATIONS

The next series of charts will show the number of investigations opened and closed; types of issues investigated; investigative determination results; timeliness of completed investigations; and, amounts of wages and penalties recovered.

Chart 3 shows a significant (22.6 percent) decrease in the number of investigations opened compared to last year; however, this decrease is due to inability to conduct non-complaint investigations caused by staff turnover and training requirements. The chart also shows a 4.8 percent increase in the number of investigations closed during the same period.

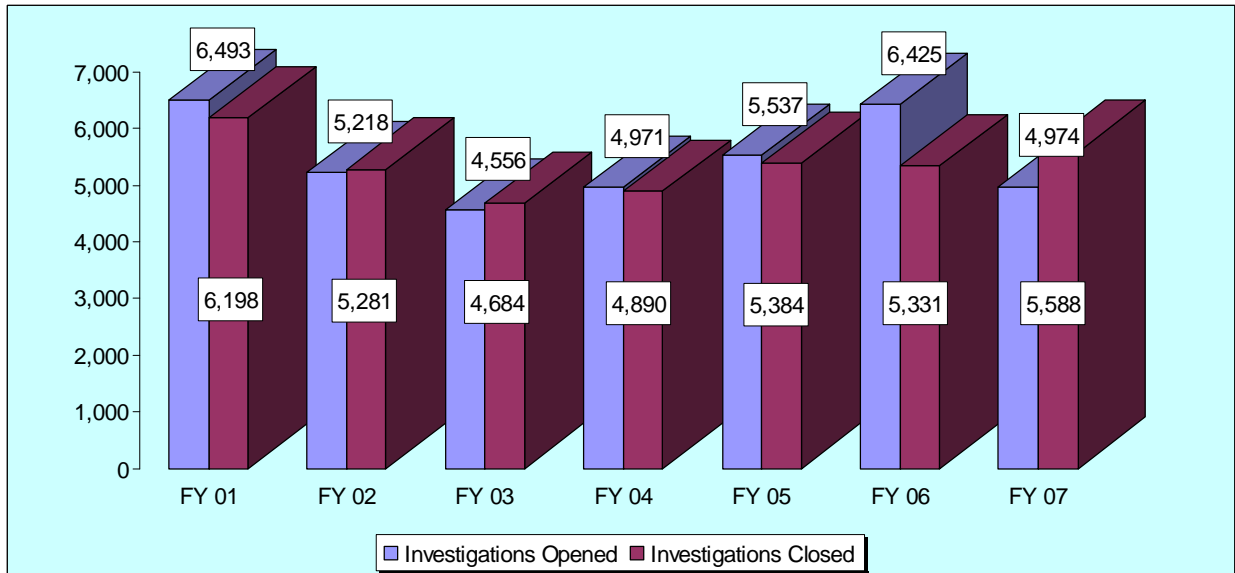


CHART 3—NUMBER OF INVESTIGATIONS COMPARISON

Chart 4 indicates the types of alleged violations investigated this year: 93 percent "wage payment complaints (employer promises not required by law such vacation, bonuses, commissions, holiday pay, etc.); 2 percent involved minimum wage claims; 2 percent involved overtime claims; and, 3 percent involved youth employment, controlled substance and private personnel service agencies claims.

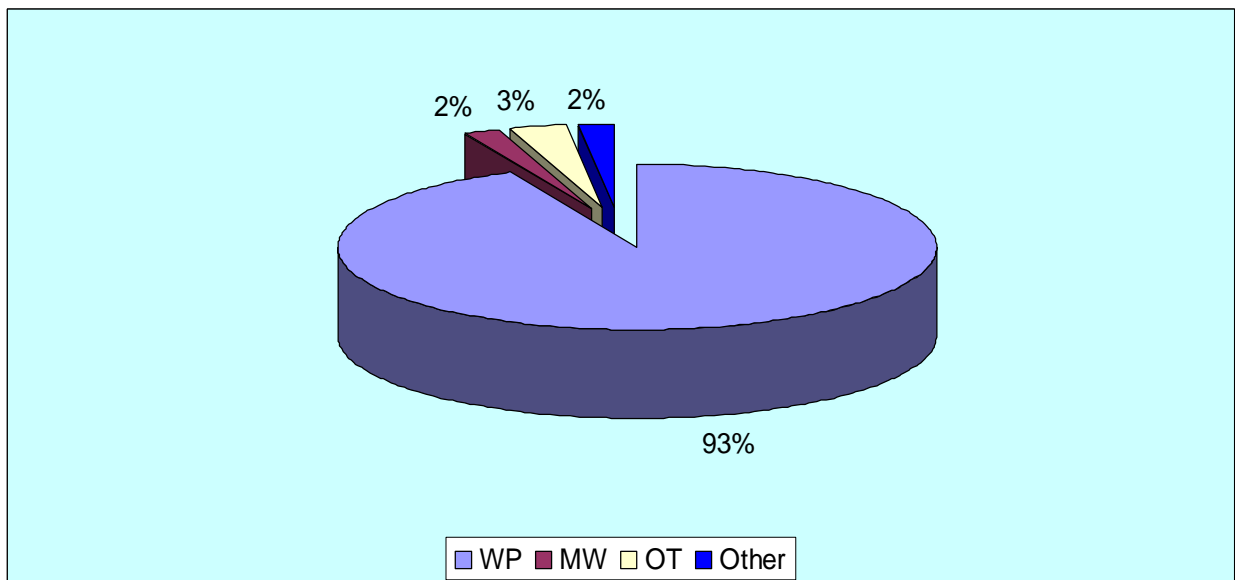


CHART 4—TYPES OF INVESTIGATIONS COMPLETED

The challenges of staff shortages and increased backlog necessitated changes in processes and procedures, priorities and investigative actions which directly impacted our ability to meet the goal of 60 percent factual and 1.6 percent no-response determinations. The results graphically displayed in Chart 5 is indicative of the decision to some level of service to everyone rather than more extensive service to a limited number of complainants.

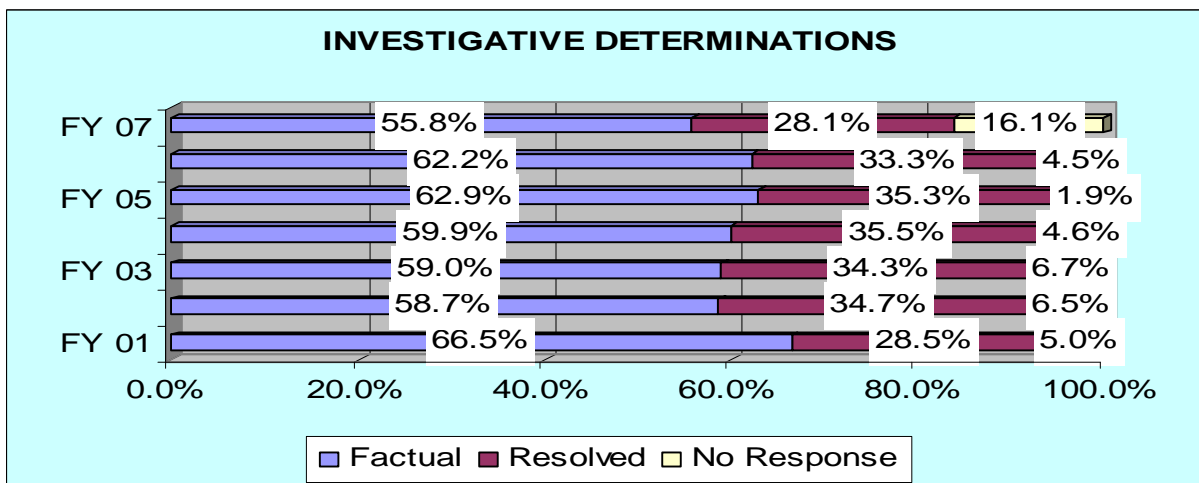


CHART 5—INVESTIGATIVE FINDINGS AND DETERMINATIONS

Staff vacancies and increased inventory also affected our ability to provide timely service to our complainants. As indicated in Chart 6, the average number of days to complete an investigation increased 54.8 percent while the percentage of investigations completed within 60 days of assignment decreased from 85.5 percent to 53.3 percent.

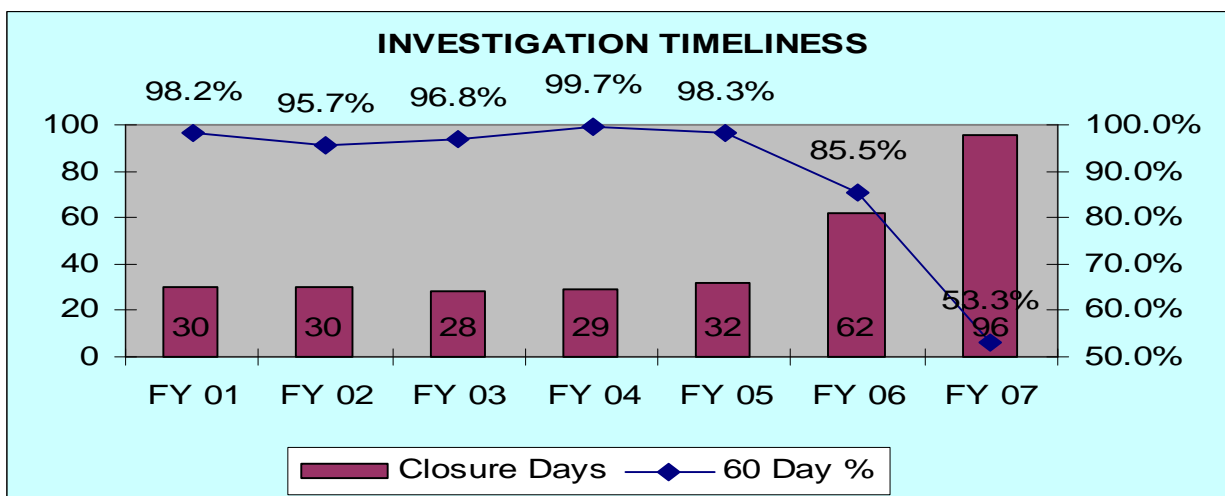


CHART 6—TIMELINESS OF INVESTIGATIONS COMPLETED

The most important aspect of our job, from the customer perspective, is the recovery of wages owed to employees. Our performance in this area is truly remarkable in that we recovered approximately \$1,350,000 in wages owed to employees; this amount was collected by the investigators and distributed at the conclusion of the investigation. This amount represents approximately 88 percent of all wages determined as due. In addition, another \$600,000 was recovered through installment agreements, settlements and litigation actions subsequent to the closure of the investigation. The information shown in Chart 7 shows the amounts determined as due and collected for the past seven years.

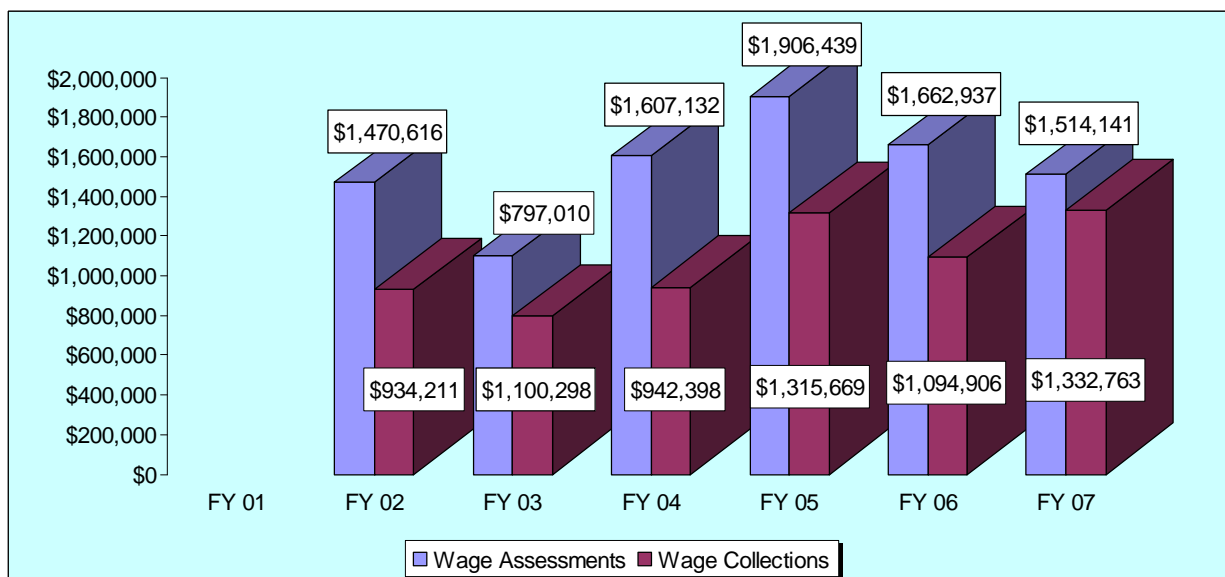


CHART 7—WAGE ASSESSMENTS AND COLLECTIONS

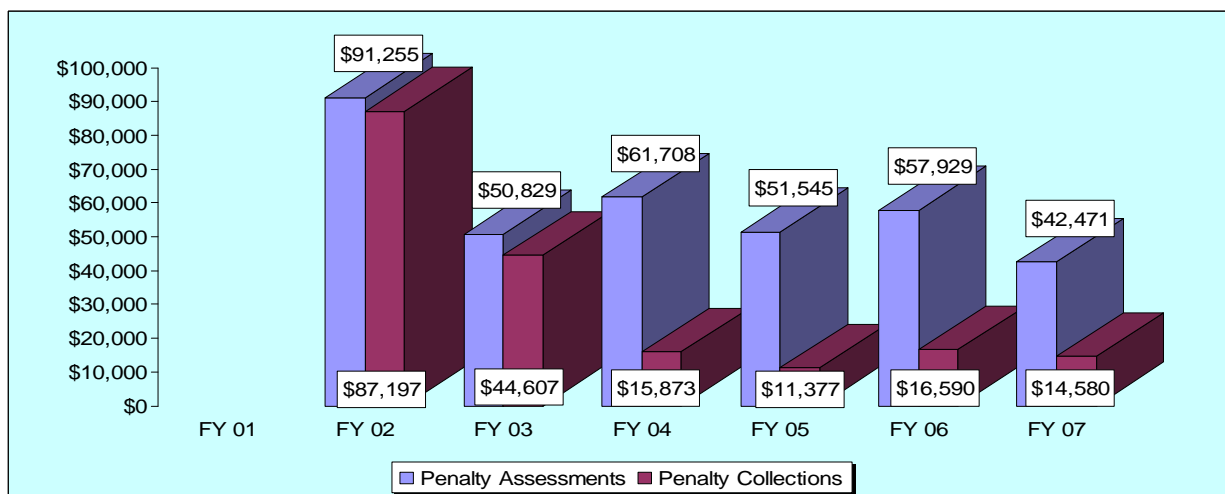


CHART 8—PENALTY ASSESSMENTS/COLLECTIONS

The bureau is also charged with the collection of civil penalties assessed as a result of violations of the youth employment, recordkeeping and controlled substance testing laws. Chart 8 indicates the amounts assessed and collected for the past seven years. The sharp decrease in the amounts collected in FY 2004 and subsequent years is the result of our “First Offense Compliance Agreement.” Under this initiative, assessed penalty amounts are forgiven conditioned on compliance achievement and promise to maintain compliance. Employers agree to subsequent visits to determine continued compliance with the terms of this agreement. However we continue to collect, prior to litigation, approximately 90 percent of all penalties assessed against employers who do not qualify for the compliance agreement program.

Voluntary Compliance

The bureau adopted a reactive rather than proactive approach to the voluntary compliance program for this year. As a result, the data in Chart 9 indicates a 50 percent decrease in the number of presentations and a corresponding 38 percent decrease in attendance as compared to last year. This program remains one of the cornerstones of our mission and goals is the attainment of voluntary compliance and will receive increased priority and importance in the coming year.

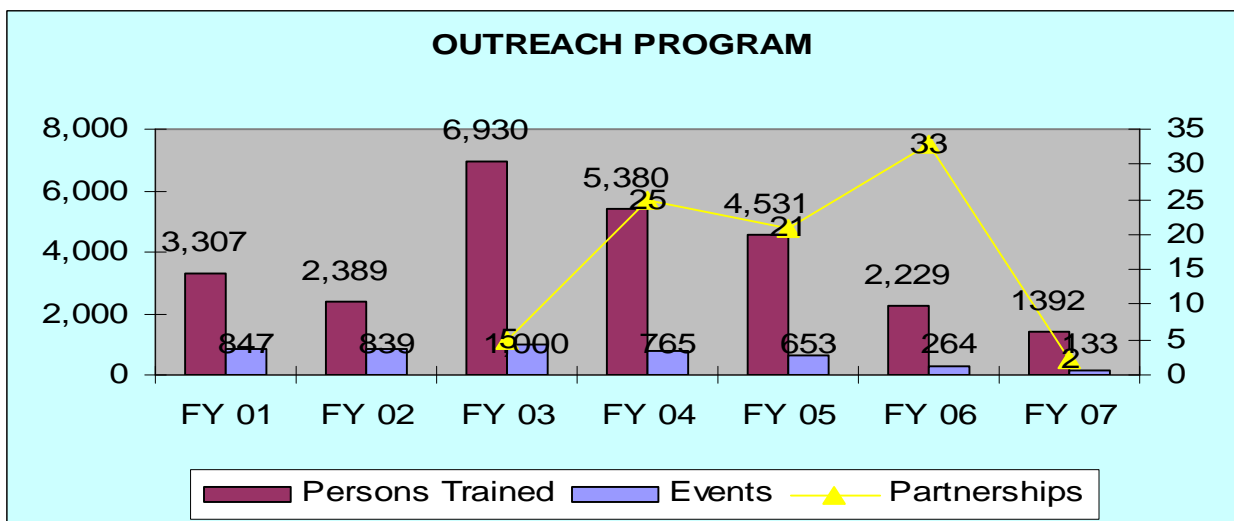


CHART 9—VOLUNTARY COMPLIANCE THROUGH EDUCATION

YOUTH EMPLOYMENT CERTIFICATES

Timely review of youth employment certificates issued continues to be a key element in our efforts to protect you workers. To this end, the bureau implemented an online certificate issuance capability in all 100 counties this year and promoted this capability in all training sessions provided to employer associations, groups and schools. As a result, online certificates were issued in all 100 counties and approximately 37 percent of all certificates issued during the year were issued electronically. Chart 9 indicates the number of certificates issued and revoked for the past seven years.

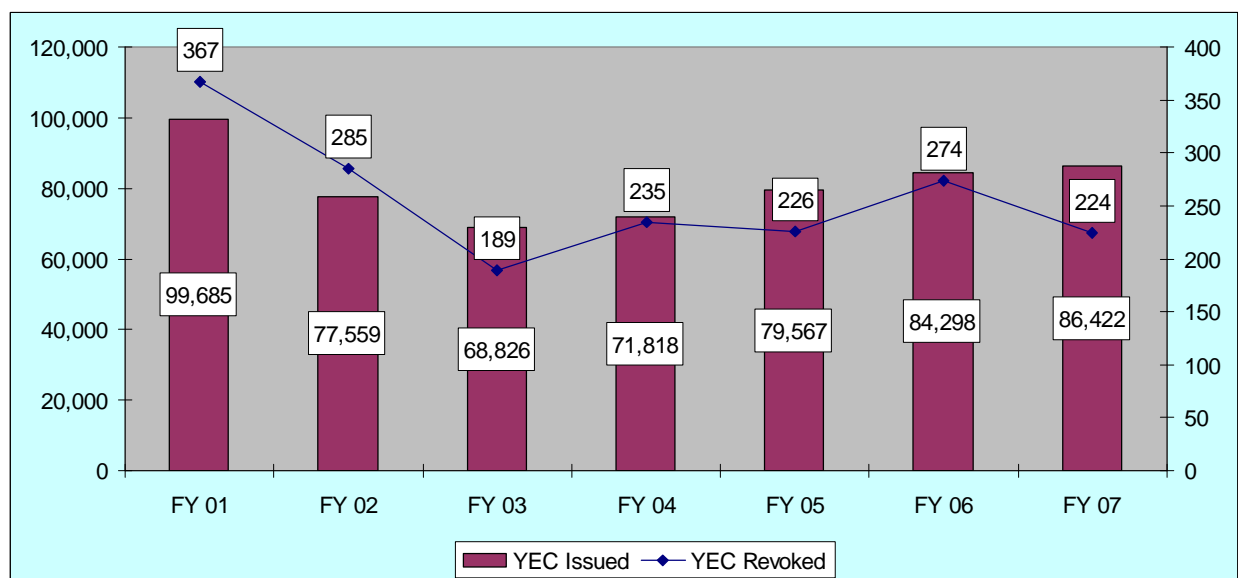


CHART 10—YOUTH EMPLOYMENT CERTIFICATES ISSUED

BUREAU INITIATIVES

The following initiatives are planned for FY 2008 in order to increase efficiency and effectiveness in the production of services to our customers and stakeholders:

1. Reduce complaint inventory to 600 cases by Jan. 1, 2008.
2. Implement the use of an online complaint intake system by June 30, 2008.
3. Conduct industry-specific compliance investigations at least twice per year.
4. Publish training materials online by Jan. 1, 2008.

SUMMARY

Bureau personnel have worked very hard this year to meet the goals and objectives set out in our strategic plan. Although we did not meet some of the goals we set for ourselves and our customers, shortcomings were caused by external factors rather than individual performance. The performance indicated by the charts contained in this report speaks highly for the dedication and hard work of the men and women of the bureau on behalf of the citizens of our State. These measures indicate an understanding of our mission and our vision as well as empathy for the plight of working men and women throughout the state.

The trends indicated by these indicators show we are committed to service improvements and timely responses to customer requests for service. Our vision says it best: Increase voluntary compliance and value-added service to our customers!

APPENDIX 1 – PARTNERS IN VOLUNTARY COMPLIANCE

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